



MOMENTUM
ENERGY CORPORATION

June 30, 2008

New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1625 N. French Drive
Hobbs NM 88240

Attn: Mr. Buddy Hill

Fax #575-393-0720

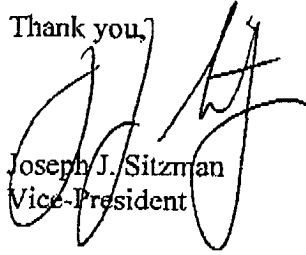
Rc: Momentum 36 State #1
K-36-25S-35E
30-025-37517-00-00
Lea County, New Mexico

Mr. Hill:

This is in response to your Letter of Violation #LWH0816261575 dated June 11, 2008 regarding the above referenced lease. All violations have been corrected and the lease is now ready for re-inspection. Please notify me of the re-inspection date if you require a company representative to be on site.

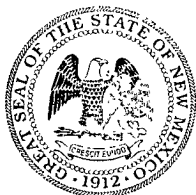
Please let me know if you have any questions or concerns.

Thank you,


Joseph J. Sitzman
Vice-President

200 N. Loring, Suite 610
P.O. Box 3398 ♦ Midland, TX 79702
432.682.0595 ♦ 432.682.0597 fax

Not Ready!
7-1-08
[Signature]



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

09-Jul-2007

MOMENTUM ENERGY CORPORATION

P.O. Box 3398

Midland, TX 79702-

RECEIVED

JUN 02 2007

HOBBS OCD

227069

Property Name: MOMENTUM 36 STATE

K-36-25S-35E 30-025-37517-00-00 001

Form C-103, Report of Plugging has been approved as to plugging of the Well Bore. Liability under bond is retained until an NMOCD representative has made an inspection of the location and found it to be cleared to comply with OCD rules and regulations. Please check each item in the space provided to indicate that the work has been accomplished and the location is ready for final inspection.

- ☒ 1. All pits have been remediated, filled and leveled.
- ☒ 2. Rat hole and cellar have been filled and leveled.
- ☒ 3. A steel marker 4" in diameter and approximately 4' above mean ground level has been set in concrete to mark the exact location of the plugged well. (Marker must have operator name, lease name, well number and location including quarter/quarter section or unit letter, section, township, range and API well ID number permanently welded, stamped or otherwise engraved into the metal marker.)
- ☒ 4. The location has been leveled as nearly as possible to original top ground contour and has been cleared of all junk and equipment.
- ☒ 5. The dead men and tie downs have been cut and removed.
- ☒ 6. If a one well lease or last remaining well on lease, the battery and burn pit locations have been remediated, leveled and cleared of all junk & equipment.
- ☒ 7. All environmental concerns have been addressed as per OCD guidelines.

The above are minimum requirements and no plugging bond will be cancelled until all locations for plugged and abandoned wells have been inspected.

When all of the work outlined above has been done, please notify this office by completing, signing and returning this letter to us so that our representative will not have to make more than one trip to the location.

I certify that the above work has been done and the above-mentioned lease is ready for OCD inspection and approval.

Name

[Signature]

Title

operations foreman

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240

Phone: (505) 393-6161 * Fax (505) 393-0720 * <http://www.emnrd.state.nm.us>

*Poly Pipe
West Edge
P/A Marker
Does not have
All In Co.
Call Ax + Rat hole
Open Fence
Thread Prot.
& Trash
S/E edge
1-1000
Rat*